

### The 50-year Mortgage is not a Solution for Improving Housing Affordability

A 50-year mortgage might sound appealing because it lowers your monthly payment. However, stretching a loan over 50 years dramatically increases the total interest cost and only minimally decreases your monthly payment.

- A \$300,000 home will cost you an extra \$403,400 in interest, while only saving you \$40/month.
- A \$400,000 home will cost you an extra \$537,910 in interest, while only saving you \$54/month and taking 31 years to pay off \$100,000 in principle.
- In the first two decades, nearly all your payment goes toward interest, not principal.
- You will stay in debt practically for life, likely well into retirement.

### 30- versus 50-year Mortgage Analysis

TERM & PAYOFF YEAR	PURCHASE PRICE	PAYMENT	TOTAL INTEREST	PRINCIPLE & INTEREST	MONTHLY SAVINGS	EXTRA COSTS
30-year (2055)	\$300,000	\$1782	\$352,200	\$641,700		
50-year (2075)	\$300,000	\$1742	\$755,633	\$1,045,133	\$40	\$403,400
30-year (2055)	\$400,000	\$2377	\$469,600	\$855,600		
50-year (2075)	\$400,000	\$2323	\$1,007,510	\$1,393,510	\$54	\$537,910

Note: Mortgage payment calculated with a 3.5% down payment and a 6.25% (30-year) or 7.00% (50-year) interest rate.



### Collaborate with us

In addition to the Housing Market Report, the Consumer Research Institute (CRI) collects data throughout the year to measure Tennessee consumers' and business leaders' perceptions of the economy, which can be found at [mtsu.edu/consumer](https://mtsu.edu/consumer). We welcome your comments, questions, and suggestions. Please contact Dr. Michael Peasley for more information.

#### Michael Peasley, Ph.D.

Director, MTSU Consumer Research Institute  
 Email: [michael.peasley@mtsu.edu](mailto:michael.peasley@mtsu.edu)



# Market Report FALL 2025

**MIDDLE  
TENNESSEE**  
STATE UNIVERSITY

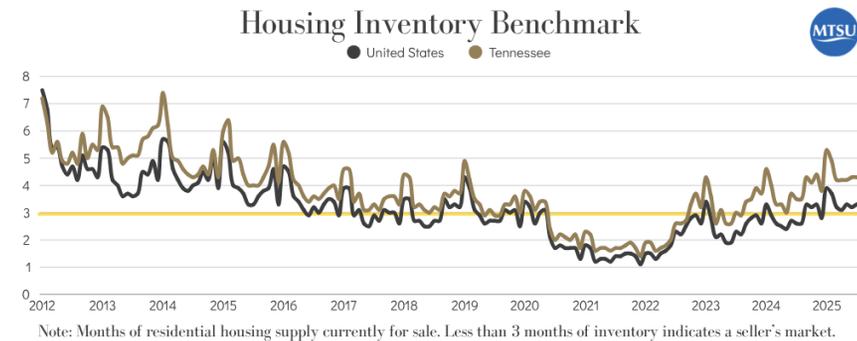
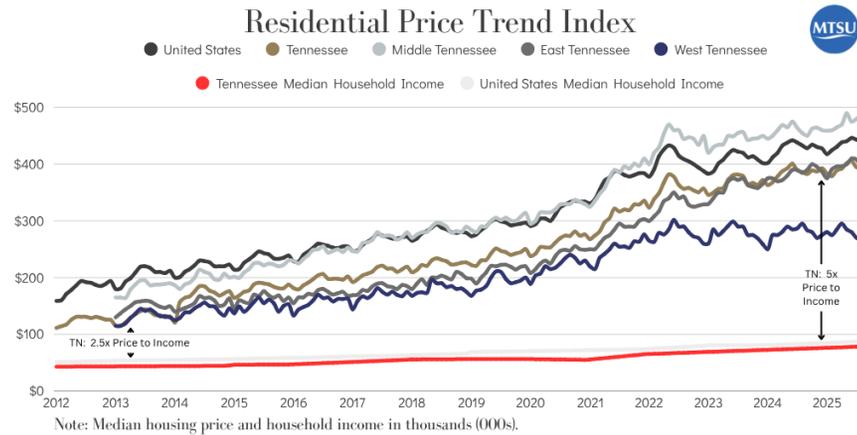
Jones College of Business  
 Consumer Research Institute

Tracy Svendsen DESIGN

We're excited to have you here for the Fall 2025 edition of the Tennessee Housing Market Report. The Consumer Research Institute in the Jones College of Business has compiled and analyzed data<sup>1</sup> to provide a unique perspective on the housing market, aiding real estate professionals, mortgage lenders, and consumers.

### The Residential Price Trend Index increased again in 2025

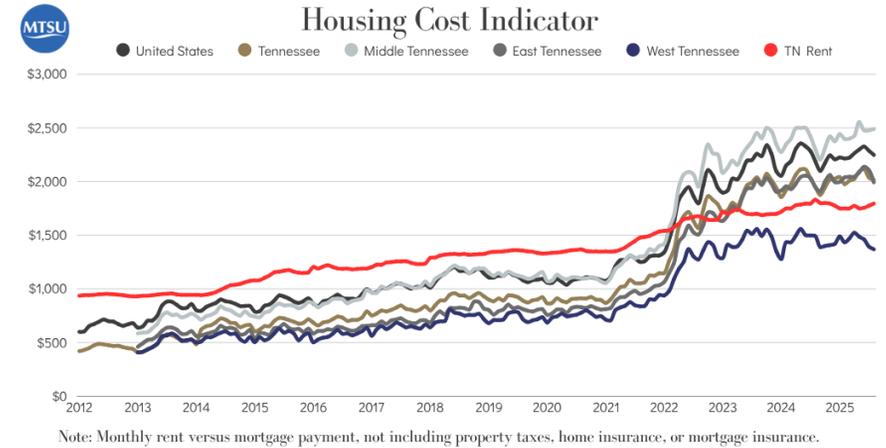
Adjusting to the seasonality of the real estate market, the median sales price currently represents a 2.2% year-over-year increase from 2024. As of September 1<sup>st</sup>, the median price in the United States is \$440,004, compared to \$394,700 in Tennessee, \$487,000 in Middle Tennessee, \$389,900 in East Tennessee, and \$268,000 in West Tennessee. Prices are expected to drop slightly over the next few months, with January and February historically being the most affordable months to purchase a home. There are currently 4.2 months of inventory on the market in Tennessee, representing a neutral market, down from 5.3 months in January (a buyer's market) and up from 3.2 months of inventory in the Spring of 2025 (a seller's market).



<sup>1</sup> The Housing Market Report is based on data compiled from the St. Louis Fed, United States Census Bureau, and the Redfin Data Center. [Note: The median mortgage payment is calculated using the median sales price with a 20% down payment.]

### Monthly Payments Remain Higher

The Housing Cost Indicator tracks mortgage payments and rent across the United States, Tennessee, and its three major regions. In Tennessee, mortgage payments have increased by 125% since January 2021. The median mortgage payment in Tennessee is now \$2,017, lower than June's median payment of \$2,115, but higher than September 2024's median payment of \$1,875. Middle Tennessee consistently shows the highest mortgage payments, surpassing both the state and national averages. At the same time, West Tennessee maintains the lowest mortgage payments in the state.



### Rent Indicator

The Rent Indicator tracks rent prices across the United States, Tennessee, and its three major regions. Overall, rent prices have followed a period of stabilization and mild fluctuation since the significant increase in 2021 and 2022. Middle Tennessee consistently shows the highest rent levels, surpassing both the state and national averages at several points. West Tennessee maintains the lowest rents throughout the period, while East Tennessee and the state average fall between the two extremes.

